



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

HB4566

Introduced 5/20/2009, by Rep. Chapin Rose

#### SYNOPSIS AS INTRODUCED:

110 ILCS 305/45 new  
110 ILCS 520/30 new  
110 ILCS 660/5-140 new  
110 ILCS 665/10-140 new  
110 ILCS 670/15-140 new  
110 ILCS 675/20-145 new  
110 ILCS 680/25-140 new  
110 ILCS 685/30-150 new  
110 ILCS 690/35-145 new

Amends various Acts relating to the governance of public universities in Illinois. Prohibits the governing board of each public university from participating in the creation of any university-related organization (defined as a foundation, athletic association, alumni association, or corporate outgrowth), unless there is a written contract between the board and the university-related organization setting forth the terms and conditions of the agreement. Provides that the contract must require the university-related organization to consent to enter into a written agreement with the Auditor General providing for an audit of the university-related organization at least once every 2 years by the Auditor General. Provides that any contracts between the board and university-related organizations existing on the effective date of the amendatory Act must be amended as soon as possible to require the university-related organization's consent to an audit by the Auditor General as a condition of the university's continued affiliation with the university-related organization.

LRB096 12956 NHT 26965 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning higher education.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The University of Illinois Act is amended by  
5 adding Section 45 as follows:

6 (110 ILCS 305/45 new)

7 Sec. 45. University-related organization; audit.

8 (a) In this Section, "university-related organization"  
9 means a foundation, athletic association, alumni association,  
10 or corporate outgrowth.

11 (b) The Board of Trustees shall not participate in the  
12 creation of any university-related organization, unless there  
13 is a written contract between the Board of Trustees and the  
14 university-related organization setting forth the terms and  
15 conditions of the agreement. The contract must require the  
16 university-related organization to consent to enter into a  
17 written agreement with the Auditor General providing for an  
18 audit of the university-related organization at least once  
19 every 2 years by the Auditor General. Any contracts between the  
20 Board of Trustees and university-related organizations  
21 existing on the effective date of this amendatory Act of the  
22 96th General Assembly must be amended as soon as possible to  
23 require the university-related organization's consent to an

1 audit by the Auditor General as a condition of the University's  
2 continued affiliation with the university-related  
3 organization.

4 Section 10. The Southern Illinois University Management  
5 Act is amended by adding Section 30 as follows:

6 (110 ILCS 520/30 new)

7 Sec. 30. University-related organization; audit.

8 (a) In this Section, "university-related organization"  
9 means a foundation, athletic association, alumni association,  
10 or corporate outgrowth.

11 (b) The Board shall not participate in the creation of any  
12 university-related organization, unless there is a written  
13 contract between the Board and the university-related  
14 organization setting forth the terms and conditions of the  
15 agreement. The contract must require the university-related  
16 organization to consent to enter into a written agreement with  
17 the Auditor General providing for an audit of the  
18 university-related organization at least once every 2 years by  
19 the Auditor General. Any contracts between the Board and  
20 university-related organizations existing on the effective  
21 date of this amendatory Act of the 96th General Assembly must  
22 be amended as soon as possible to require the  
23 university-related organization's consent to an audit by the  
24 Auditor General as a condition of the University's continued

1 affiliation with the university-related organization.

2 Section 15. The Chicago State University Law is amended by  
3 adding Section 5-140 as follows:

4 (110 ILCS 660/5-140 new)

5 Sec. 5-140. University-related organization; audit.

6 (a) In this Section, "university-related organization"  
7 means a foundation, athletic association, alumni association,  
8 or corporate outgrowth.

9 (b) The Board shall not participate in the creation of any  
10 university-related organization, unless there is a written  
11 contract between the Board and the university-related  
12 organization setting forth the terms and conditions of the  
13 agreement. The contract must require the university-related  
14 organization to consent to enter into a written agreement with  
15 the Auditor General providing for an audit of the  
16 university-related organization at least once every 2 years by  
17 the Auditor General. Any contracts between the Board and  
18 university-related organizations existing on the effective  
19 date of this amendatory Act of the 96th General Assembly must  
20 be amended as soon as possible to require the  
21 university-related organization's consent to an audit by the  
22 Auditor General as a condition of the University's continued  
23 affiliation with the university-related organization.

1 Section 20. The Eastern Illinois University Law is amended  
2 by adding Section 10-140 as follows:

3 (110 ILCS 665/10-140 new)

4 Sec. 10-140. University-related organization; audit.

5 (a) In this Section, "university-related organization"  
6 means a foundation, athletic association, alumni association,  
7 or corporate outgrowth.

8 (b) The Board shall not participate in the creation of any  
9 university-related organization, unless there is a written  
10 contract between the Board and the university-related  
11 organization setting forth the terms and conditions of the  
12 agreement. The contract must require the university-related  
13 organization to consent to enter into a written agreement with  
14 the Auditor General providing for an audit of the  
15 university-related organization at least once every 2 years by  
16 the Auditor General. Any contracts between the Board and  
17 university-related organizations existing on the effective  
18 date of this amendatory Act of the 96th General Assembly must  
19 be amended as soon as possible to require the  
20 university-related organization's consent to an audit by the  
21 Auditor General as a condition of the University's continued  
22 affiliation with the university-related organization.

23 Section 25. The Governors State University Law is amended  
24 by adding Section 15-140 as follows:

1 (110 ILCS 670/15-140 new)

2 Sec. 15-140. University-related organization; audit.

3 (a) In this Section, "university-related organization"  
4 means a foundation, athletic association, alumni association,  
5 or corporate outgrowth.

6 (b) The Board shall not participate in the creation of any  
7 university-related organization, unless there is a written  
8 contract between the Board and the university-related  
9 organization setting forth the terms and conditions of the  
10 agreement. The contract must require the university-related  
11 organization to consent to enter into a written agreement with  
12 the Auditor General providing for an audit of the  
13 university-related organization at least once every 2 years by  
14 the Auditor General. Any contracts between the Board and  
15 university-related organizations existing on the effective  
16 date of this amendatory Act of the 96th General Assembly must  
17 be amended as soon as possible to require the  
18 university-related organization's consent to an audit by the  
19 Auditor General as a condition of the University's continued  
20 affiliation with the university-related organization.

21 Section 30. The Illinois State University Law is amended by  
22 adding Section 20-145 as follows:

23 (110 ILCS 675/20-145 new)

1       Sec. 20-145. University-related organization; audit.

2       (a) In this Section, "university-related organization"  
3 means a foundation, athletic association, alumni association,  
4 or corporate outgrowth.

5       (b) The Board shall not participate in the creation of any  
6 university-related organization, unless there is a written  
7 contract between the Board and the university-related  
8 organization setting forth the terms and conditions of the  
9 agreement. The contract must require the university-related  
10 organization to consent to enter into a written agreement with  
11 the Auditor General providing for an audit of the  
12 university-related organization at least once every 2 years by  
13 the Auditor General. Any contracts between the Board and  
14 university-related organizations existing on the effective  
15 date of this amendatory Act of the 96th General Assembly must  
16 be amended as soon as possible to require the  
17 university-related organization's consent to an audit by the  
18 Auditor General as a condition of the University's continued  
19 affiliation with the university-related organization.

20       Section 35. The Northeastern Illinois University Law is  
21 amended by adding Section 25-140 as follows:

22       (110 ILCS 680/25-140 new)

23       Sec. 25-140. University-related organization; audit.

24       (a) In this Section, "university-related organization"

1 means a foundation, athletic association, alumni association,  
2 or corporate outgrowth.

3 (b) The Board shall not participate in the creation of any  
4 university-related organization, unless there is a written  
5 contract between the Board and the university-related  
6 organization setting forth the terms and conditions of the  
7 agreement. The contract must require the university-related  
8 organization to consent to enter into a written agreement with  
9 the Auditor General providing for an audit of the  
10 university-related organization at least once every 2 years by  
11 the Auditor General. Any contracts between the Board and  
12 university-related organizations existing on the effective  
13 date of this amendatory Act of the 96th General Assembly must  
14 be amended as soon as possible to require the  
15 university-related organization's consent to an audit by the  
16 Auditor General as a condition of the University's continued  
17 affiliation with the university-related organization.

18 Section 40. The Northern Illinois University Law is amended  
19 by adding Section 30-150 as follows:

20 (110 ILCS 685/30-150 new)

21 Sec. 30-150. University-related organization; audit.

22 (a) In this Section, "university-related organization"  
23 means a foundation, athletic association, alumni association,  
24 or corporate outgrowth.

1       (b) The Board shall not participate in the creation of any  
2 university-related organization, unless there is a written  
3 contract between the Board and the university-related  
4 organization setting forth the terms and conditions of the  
5 agreement. The contract must require the university-related  
6 organization to consent to enter into a written agreement with  
7 the Auditor General providing for an audit of the  
8 university-related organization at least once every 2 years by  
9 the Auditor General. Any contracts between the Board and  
10 university-related organizations existing on the effective  
11 date of this amendatory Act of the 96th General Assembly must  
12 be amended as soon as possible to require the  
13 university-related organization's consent to an audit by the  
14 Auditor General as a condition of the University's continued  
15 affiliation with the university-related organization.

16       Section 45. The Western Illinois University Law is amended  
17 by adding Section 35-145 as follows:

18       (110 ILCS 690/35-145 new)

19       Sec. 35-145. University-related organization; audit.

20       (a) In this Section, "university-related organization"  
21 means a foundation, athletic association, alumni association,  
22 or corporate outgrowth.

23       (b) The Board shall not participate in the creation of any  
24 university-related organization, unless there is a written

1 contract between the Board and the university-related  
2 organization setting forth the terms and conditions of the  
3 agreement. The contract must require the university-related  
4 organization to consent to enter into a written agreement with  
5 the Auditor General providing for an audit of the  
6 university-related organization at least once every 2 years by  
7 the Auditor General. Any contracts between the Board and  
8 university-related organizations existing on the effective  
9 date of this amendatory Act of the 96th General Assembly must  
10 be amended as soon as possible to require the  
11 university-related organization's consent to an audit by the  
12 Auditor General as a condition of the University's continued  
13 affiliation with the university-related organization.